



BOUNDLESS ENERGY

American Electric Power  
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AEP.com

**DELIVERED BY HAND**

October 30, 2018

Mr. William F. Stephens, Director  
Division of Public Utility Regulation  
Virginia State Corporation Commission  
1300 E. Main Street, 4th Floor  
Richmond, VA 23218

In re: Renewable Portfolio Standard (RPS) Goals

Dear Mr. Stephens:

Pursuant to Va. Code § 56-585.2 H, Appalachian Power Company ("APCo" or the "Company") is providing the information regarding its efforts to meet RPS goals and related activities.

The Company received Commission approval of its proposed RPS Plan in Case No. PUE-2008- 00003, demonstrating that it has a reasonable expectation to meet the voluntary RPS goals set forth in Va. Code § 56-585.2 D. As indicated in prior filings to the Commission, the Company met the RPS Goal I and II requirements (4 percent renewable output as a percentage of 2007 base year sales in 2010, an average of 4 percent of total electric energy sold in the base year in 2011 through 2015, and in calendar year 2016, 7 percent of total electric energy sold in the base year) for 2010 through 2016. The Company is on track to achieve RPS Goal III. Attachment 1 to this letter provides documentation of the Company's compliance with the RPS Goal III in 2017. As in prior years, the Company met the goal through a combination of purchased power wind sources and company-owned hydro generation. For 2017, the 7 percent renewable goal was partially met by retiring RECs that were "banked" in prior years.

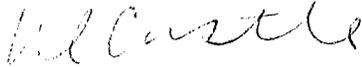
In addition, Attachment 2 to this letter sets forth information that complies with § 56-585.2 H and identifies:

- a) A list of all states where the purchased or owned renewable energy was generated specifying the number of megawatt hours or renewable energy certificates originating from each state;
- b) A list of decades in which the purchased or owned renewable energy generating units were placed in service, specifying the number of megawatt hours or renewable energy certificates originating from those units; and
- c) A list of fuel types used to generate the purchase or owned renewable energy, specifying the number of megawatt hours or renewable energy certificates originating from each fuel type.

This information is provided on an APCo total company basis and a Virginia retail jurisdictional basis as applicable.

Following your review of this information, please do not hesitate to call me at (804) 698-5540 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. K. Castle".

William K. Castle

Director, Regulatory Services VA/TN

cc: Greg L. Abbott  
David R. Eichenlaub  
John A. Stevens

Enclosure

## Attachment 1: Appalachian Power Company Compliance with RPS Goal - 2017

*Reflective of Current Hydro Generation and Known, Approved APCo Wind Contracts...*

o Camp Grove (75 MW Nameplate; 2008 in-svc)

o Fowler Ridge I (100 MW nameplate; 2009)

**To Achieve Renewable Resource Requirements under House Bill No. 1994**

**--which amends Sections 56-585 of the Code of Virginia which had established 'voluntary' renewable goals--**

RPS 2007 Base Year Data

VA GWh Sales to Jurisdictional Retail Customers	15,586	Notes 1 & 2
VA Primary Energy Sales Attributed to Nuclear	1,133	Note 3
VA GWh Jurisdictional Retail Sales excluding VA Share of Nuclear	14,453	

Portfolio Standard Goals as Described In 56-585.2	Year	Cumulative Wind Energy GWh (Note 4)	(Double) Credit for Wind	Credits for Run of River Hydro (Note 4 & 5)	APCo VA Retail Jurisdiction Energy Allocation Factor (2017)	VA Share of Credits Created	Renewable Energy Credits Required to Meet Goal (Note 6)	VA Share of Credits Added To/ (Depleted) From) Bank	VA Share of Banked Credits Balance
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7% Requirement (GWh)		A	B= 2 x A	C	D	E = D x (B+C)	I	J = H - I	K
	2017	418	836	832	46.48%	774	1,012	(237)	1,269 1,032

Note 1 - APCo Virginia Jurisdictional Energy Sales to Residential, Commercial and Industrial customers. Excludes Wholesale sales, losses and Other Ultimate Customers .

Note 2 - No reduction in VA retail sales for nuclear energy received from APCo affiliate I&M, as allowed by the statute.

Note 3 - Average of 2004, 2005 and 2006 Primary Energy delivered to APCo VA retail jurisdiction from AEP Affiliate I&M attributed to DC Cook Nuclear Plant multiplied by 2007 Virginia Jurisdictional Retail allocation percentage.

Note 4 - APCo wind and Hydro GWh represent the amount purchased or generated by APCo during 2017. Some or all of the associated Renewable Energy Credits (RECs) may have been sold and replaced with purchases of VA compliant RECs.

Note 5 - APCO Hydro Generation includes owned run of river facilities, Summersville PPA and Smith Mountain "free water" calculation .

Note 6 - Equals Goal % for respective year multiplied by 2007 VA GWh sales to jurisdictional retail customers. Example: for 2017 = 0.07 X 14,453 = 1,012.

Note 7 - This is the cumulative amount of banked VA credits from years 2010 through 2016.

### Determination of Meeting Voluntary Renewable Goals - 2017

1. VA Share of Credits Created	774	GWh
2. VA GWh Jurisdictional Retail Sales excluding VA Share of Nuclear	14,453	GWh
3. Renewable Output as a percentage of 2007 Base Year Sales	5.36%	
4. Banked Credits Used to Meet 7% Goal	237	GWh

**Attachment 2: Appalachian Power Company Report to the Commission Pursuant to  
Code of Virginia 56-585.2 H for the Year 2017**

**H. Each investor-owned incumbent electric utility shall report to the Commission annually by November 1 identifying:**

1. The utility's efforts, if any, to meet the RPS Goals, specifically identifying:

A. A list of all states where the purchased or owned renewable energy was generated, specifying the number of megawatt hours (MWh) or renewable energy certificates (RECs) originating from each state;

Purchased RECs are the GATS inventory balance as reported to the Commission by the Company in PUR-2017-00065

<u>Originating State of Generation</u>	<u>MWh (1MWh = 1 REC)</u> <u>VA Retail Jurisdiction</u> <sup>1</sup>	<u>Owned / Purchased</u>
North Carolina	-	Purchased RECs
Pennsylvania	224,892	Purchased RECs
Maryland	-	Purchased RECs
West Virginia	-	Purchased RECs
Virginia	100,000	Purchased RECs
Virginia	171,322	Owned Generation
<u>West Virginia</u>	<u>77,154</u>	<u>Owned Generation and Purchased</u>
Total	573,368	

B. A list of the decades in which the purchased or owned renewable energy generating units were placed in service, specifying the number of MWh or RECs originating from those units; and

C. A list of fuel types used to generate the purchased or owned renewable energy, specifying the number of MWh or RECs originating from each fuel type;

<u>Renewable Generator</u>	<u>Beginning Decade</u>		<u>Fuel Type</u>	<u>2017 MWh Generated</u>	
	<u>Placed into Service</u>			<u>APCo Total</u>	<u>Company</u>
Camp Grove Purchase	2000	Wind	207,331	96,359	
Fowler Ridge Purchase	2000	Wind	210,431	97,800	
Buck	1910	Water	36,729	17,070	
Byllesby	1910	Water	48,337	22,465	
Claytor	1930	Water	176,374	81,972	
Leesville	1960	Water	57,757	26,843	
London	1930	Water	83,857	38,973	
Marmet	1930	Water	66,256	30,793	
Niagara	1900	Water	-	-	
Ruesens	1900	Water	-	-	
Summersville Purchase	2000	Water	165,849	77,080	
Smith Mountain	1960	Water	115,702	53,774 <sup>3</sup>	
Winfield	1930	Water	80,699	37,506	
Total			1,249,322	580,635	

2. The utility's overall generation of renewable energy; and

APCo Owned Renewable Generation MWh:	665,711 <sup>2,5</sup>
<u>APCo Purchased Renewable Generation MWh:</u>	<u>1,297,005<sup>4</sup></u>
Total APCo Renewable Generation MWh:	1,962,716 <sup>4</sup>

3. Advances in renewable generation technology that affect activities described in subdivisions 1 and 2

None at this time.

**Notes:**

- Amount of MWh or RECs may not match amount of Virginia RPS credits because wind RECs count double for RPS compliance
- This is a total Company APCo amount, other volumes in this report are on an APCo VA retail basis
- Total "run of river" Smith Mountain generation
- This is a total Company APCo amount, includes renewable wind energy purchases from Grand Ridge and Beech Ridge wind farms (547,545 MWh) that are not included in the Company's Virginia RPS plan
- This is the amount of MWh generated by the renewable energy facilities, some or all of the RECs associated with this generation may have been sold and replaced by market REC Purchases